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MEMORANDUM

Subject: Executive Summary for Modification of Administrative Order

Kendall Green Energy LLC, Cambridge, MA

Docket No. 11-005

To: Susan Studlien, Director

Office of Environmental Stewardship

From: Jeffrey Kopf, Senior Enforcement Counsel

George Harding, P.E., Environmental Engineer

Date: July 6, 2016

SUMMARY OF ACTION

This memorandum recommends that you sign the attached letter modifying the compliance schedule for Kendall Green Energy LLC ("Kendall Green") to greatly reduce its thermal discharge to the Charles River Lower Basin.

The Administrative Order was negotiated to resolve an appeal of the facility's NPDES Permit. Kendall Green is an electric generating station located near Kendall Square in Cambridge, and withdraws and discharges water from the Charles River for cooling. The cooling water discharge has a significant impact on the river during summer months. The order established a schedule for construction of a new steam line across the Charles River and installation of a Back Pressure Steam Turbine and Air Cooled Condenser ("BPST/ACC") to reduce thermal discharges to the river. The original plan was to run the steam line under the Longfellow Bridge; the compliance schedule was tied to reconstruction of the bridge by the Massachusetts Highway Department. If that plan had been implemented construction of the new steam line would not have begun yet. The facility's owners opted to run the new steam line along a different route, crossing the river near the Museum of Science. This decision caused the compliance schedule to begin running. In October 2014, Kendall Green was granted a 90-day extension of the schedule to evaluate the feasibility of replacing the BPST/ACC with a wet cooling tower, which would have improved the efficiency of the facility. This pushed the date for meeting final NPDES permit limits to July 1, 2016.

Since the October 2014 schedule modification a number of circumstances have delayed completion of the project.¹ The record snowfall in the winter of 2015 delayed completion of the

¹ The Administrative Order includes a *force majeure* provision. Kendall Green has not presented a formal *force majeure* claim, but several of the circumstances could qualify.

feasibility study and start of construction. In late fall 2015 a boiler ruptured, spreading asbestos throughout the construction site; the asbestos cleanup and repair of the boiler delayed construction of the new facilities. Repair and rehabilitation of a generator was more extensive and time consuming than expected. Finally, the facility needed permission from ISO New England for a plant shutdown to complete installation of steam lines to the BPST/ACC; due to electric system needs the shutdown dates were delayed by a month. As of now installation of all equipment has been completed, but the testing and commissioning process has not occurred. At times during this process Kendall Green will have to continue its thermal discharge to the river. Kendall Green expects it will be able achieve full compliance with its NPDES permit by October 1, 2016.

TERMS OF THE MODIFICATION

The order modification extends the date for achieving compliance with final NPDES permit limits to October 1, 2016. Until then the facility will be required to meet the interim limits established in the permit.

CONTACTS WITH THE FACILITY

Kendall Green has provided several progress briefings to EPA, the most recent on June 29. They have made a concerted effort to inform us of any issues or potential delays in a timely manner.

EXTERNAL INTEREST AND /OR CONTACTS

MassDEP and the Charles River Watershed Association were involved in negotiation of the original administrative order. Both recognize the Kendall Green has worked to complete the project faster than required by the original project plan. Neither objects to this extension.

EPA STAFF CONTACTS

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